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A buyer's guide to board managment software

How Governance Technology Can Improve Your Board's Performance

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Key Considerations for Selecting Governance Technology

To be truly impactful, today's boards must understand that transparency and accountability are just as important to investors and shareholders as the need to keep pace with new opportunities, new security threats, and new global and economic developments. With the increased focus on reporting requirements for governance, risk and compliance (GRC) protocols, as well as environmental, social and governance (ESG) initiatives, best-in-class governance technology must offer features that:

- Enhance collaboration among leadership
- Protect the organisation's most sensitive data
- Surface data from GRC programs up to the C-suite and board of directors

Central to any governance technology is a board portal. A board portal, also known as board management software, is the cornerstone of a forward-thinking approach to modern governance. Board management software is, in many ways, the anchor for a broader governance framework that enables the best practices organisations need to thrive in today's volatile landscape.

When evaluating governance technology, it's critical to identify a solution that provides a streamlined, secure experience not only for board members, but for all users including the company secretary, general counsel, risk and compliance teams and administrative and legal professionals.

1. Functionality & Adoptability
2. Governance
3. Security
4. Reputation & Service

For private, public and nonprofit boards, as well as government organisations, a fully integrated governance solution empowers users to adapt to any challenge, crisis or opportunity with agility and strategic acumen. Governance technology is also critical to enabling a holistic view of governance, risk mitigation, regulatory compliance and ESG initiatives.

Here are the most important questions to ask in each of these four crucial areas - and the answers to look for.

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1. Functionality & Adoptability

Preparing for a board meeting is time-consuming and even more so if directors sit on multiple boards. With continuous updates to board documents, board administrators and governance professionals face the arduous task of consolidating all information and keeping track of changes. This process is particularly cumbersome if paper is still used for board book creation and in boardroom record-taking.

While basic board management software features typically include online and offline access to board materials, a wider embrace of governance technology can further improve board meeting preparation practices by streamlining nearly all board functions into a single, secure platform.

Where adoptability is concerned, accessibility is key. For an application to be embraced by your board and executive team, it needs to be accessible across multiple devices, easy to use, and accompanied by live, around-the-clock support.

1. Functionality & Adoptability Q&A

Questions to Ask	Answers to Expect
How does governance technology enable an organisation to operate more efficiently?	Governance technology enables the secure collaboration and exchange of board materials. Boards should seek out a governance solution that allows documents to be uploaded, downloaded, discussed, reviewed and signed by board members, executives and other privileged stakeholders. Look for a robust board management solution that supports and improves upon your board's current governance practices by streamlining duties and maximising efficiency.
How does governance technology enhance and streamline committee work?	The right solution should create intuitive and standardised processes around policy decisions, investment and revenue opportunities, and high-level operations, with information and collaboration capabilities that help boards keep up with reporting requirements and compliance standards.
What happens if board members serve on multiple boards?	A sophisticated solution gives clients the ability to access multiple board books on a single platform. Accessing board books across all respective boards is only available if the other boards utilise the same governance platform.

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1. Functionality & Adoptability Q&A (continued)

Questions to Ask	Answers to Expect
How does governance technology enhance visibility for the board?	The right solution should display all necessary information simply and concisely in a single dashboard, making everything easier for boards to view and manage.
How does digitisation and automation make board life easier?	The digitisation and automation of key board processes – from evaluations, D&O questionnaires, and virtual voting and signatures to book-building, board material dissemination, meeting minute-taking and questionnaire analysis – ensures that the board is efficient and the flow of information is secure at all times.
Is the governance technology scalable?	The right governance technology will be able to grow with the demands of an organisation and should reflect shifts and changing priorities as governance best practices evolve. Accordingly, the technology should offer tools including entity management (enabling organisations to simplify entity governance from top to bottom); ESG benchmarking; executive compensation comparisons and reports; risk and compliance monitoring; and in-depth data analytics, so that boards have easy access to all the information.
How often are features improved upon and new ones developed?	A governance software provider should be continuously innovating on its features and capabilities. Providers should be releasing features annually, if not more frequently. Seek a board management platform provider who is regularly investing in research and development and continuously growing, whether through strategic acquisitions or newly developed solution sets.

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1. Functionality & Adoptability Q&A (continued)

Questions to Ask	Answers to Expect
How does the implementation process work?	A hasty implementation process can often lead to corners being cut and due diligence being neglected. Look for a provider who is empathetic to board satisfaction and who can ensure that the implementation process is well-planned and accounts for the needs of all stakeholders and users. Obtain as much information as possible about the onboarding process prior to adoption. Onboarding should be customised for each organisation and end user. Ongoing support is critical to the sustained adoption of a board platform. Support - whether via phone call, online chat, virtual meeting, in-depth training or retraining - should be provided for the duration of your contract. The provider should also support continuous training, especially as improvements to features and functionality are introduced.
What are your adoption and customer attrition rates?	A provider should be able to share how their board member engagement levels compare across the industry. A provider should not only have high adoption rates, but it should have users (particularly directors) who are taking full advantage of platform features and functionality. Also ask for the total number of customers who leave annually, divided by the total number of customers. Work with a provider who has a high retention rate and be wary of those that have high cancellation rates.

2. Governance

In today's boardrooms, good governance practices are rooted in adaptable governance technology. Any solution that you choose should be able to grow and evolve with your company over time.

Core to good governance is an effective board evaluation process and better visibility into competitors, industry trends and stakeholder sentiment, alongside having a strong handle on data and reporting.

2. Governance Q&A

Questions to Ask	Answers to Expect
How does the governance technology support and enable stakeholder and shareholder engagement?	Organisations must be able to access and curate the information they need to remain vigilant on stakeholder sentiment. Public company boards should have access to the same data that their investors and proxy advisors use for purposes of visibility and benchmarking. An organisation with a holistic, real-time view of stakeholder sentiment will be better equipped to engage with investors and mitigate shareholder activists. Boards should look for a solution that allows them to automatically track news and sentiment across thousands of sources, while also monitoring competitors and the industry landscape alongside evolving local and global regulations. The solution should be able to identify potential red flags and it should offer the ability to measure executive compensation according to relative performance metrics.
How does governance technology elevate the governance professional's role?	Governance professionals should feel empowered by the governance technology they use. More than ever, boards rely on governance professionals to deliver the kinds of insights that improve visibility and decision-making. Look for a solution that not only drives efficiency among board processes, but that also empowers governance professionals to act as trusted advisors to their board.
How does governance technology facilitate data integration and reporting?	A truly effective governance technology solution should help boards navigate and prepare for upcoming regulations – around ESG, for example – alongside increased shareholder expectations. Robust governance technology not only aids real-time reporting but helps to break down silos common to legacy systems, while effectively interpreting data with intuitive dashboards and visualisation.

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2. Governance Q&A (continued)

Questions to Ask	Answers to Expect
How does governance technology bring risk and compliance into the boardroom?	Questions around risk and compliance permeate organisations at a deeper level than ever before. Boards should look for a solution that allows them to have holistic conversations with the right level of information. Strong governance technology allows boards to consume the essential information they need to make the right decisions through an integrated, dashboard-driven system that displays data in its most useful form. In tandem with that approach, governance technology can help boards to secure communications, maintaining a secure line of sight into confidential channels while minimising risk. Governance technology should mitigate information leaks, enable the easy collection of critical information from board members and executives, and ensure a dedicated communication channel in times of crisis.
How can governance technology support searches for board talent and for diverse candidates?	Skills and talent needs will vary from one board to the next. Too often, the search process for new directors is limited to the networks of existing board members, which frequently fails to provide a pool of candidates that is truly diverse. Seek out a governance technology solution that can provide access to a database of qualified board candidates - one that can be accessed by directors at any time.
How does governance technology help to drive board performance?	An engaged board, with the strengths of its directors leveraged effectively, is closely linked to continued growth and success. Diversity among board member skillsets in ways that mirror long-term organisational l strategy is crucial when it comes to addressing stakeholder demands. An effectively optimised board leveraging robust governance technology is able to shift its time and energy from administrative processes to more strategic outputs.

3. Security

Security must be top of mind. Investing in governance technology – particularly with its protections for boards, executives and the sensitive data they regularly handle – can enhance your organisation's security posture. Pay special attention to how seriously your chosen provider takes security, whether they continually reinvest in security enhancements and how they mitigate the risks associated with a potential breach. Simply asking whether they allocate spend toward the latest security technologies can be a sufficient conversation starter. Ultimately, you want a secure solution that uses state-of-the-art security methodologies and encryption, not just another file management system.

3. Security Q&A

Questions to Ask	Answers to Expect
How will you protect our data and any notes we add to the application?	Your chosen provider should have the highest security standards and level of data encryption. Client data should be encrypted at rest, in transit and on users' devices, with at least 256-bit encryption. Unique encryption keys should be provided for every client, and the provider should ensure that keys are protected and handled by separately managed hardware .
Is it possible to securely share confidential data with other users and trusted third parties?	In light of the significant reputational and financial consequences of a data breach, it is no longer enough to rely on shared network drives or out-of-the-box cloud solutions to protect your organisation's most sensitive information. Ensure that your chosen provider has systems in place that allow you to secure and automate the collation, distribution and management of board materials. Look also for the ability to share sensitive data and files with privileged third parties.
Which third-party certifications do you have, and how long have you had them?	The provider should meet the highest security standards and maintain key certifications. These include a history of clean annual SOC-2/SSAE 18 audits and ISO 27001 certifications for security. These certifications mean the provider is operating in compliance with required organisational controls for managing risk and information security management systems (ISMS) standards. A copy of a provider's certifications should be available upon request.

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3. Security Q&A (continued)

Questions to Ask	Answers to Expect
How often do you conduct third-party penetration and security testing?	To stay abreast of evolving threats, a provider should conduct regular vulnerability scanning of the infrastructure, dynamic automated security scanning of the service, and application penetration and network penetration testing. A provider should also allow clients and potential clients to conduct their own security and penetration testing (or engage third parties of their own) to run independent tests.
How does security differ when the application is online vs. offline?	Whether a client accesses board materials online or offline via a board management platform, a provider should ensure that all materials and services remain completely secure and cannot be compromised.
Does the application digitally shred end users' notes after the meeting to limit discoverability?	A provider should also offer clients the ability to permanently remove user notes and annotations, leaving no digital record. The timing of this wipe should be controlled by the client – as an automated process or on-demand. Alternatively, the solution should be flexible, allowing for the archiving of user notes, if necessary.
How does the software support virtual meeting routines?	With virtual, work-from-home environments more prevalent than ever, users are more susceptible to cybercriminals looking to intercept data shared across unencrypted cloud-based applications. For this reason, any provider should offer fully secure tools for communicating, voting and collaborating in real time.
How do you alert users if a data breach has occurred?	Breach attempts are not unusual, but you should prioritise providers that put security first. Your company should aim to select a solution with no known data breaches and few security incidents. In the event of a breach or security event, the provider should be forthright and transparent and provide regular updates on potentially compromised data.

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4. Reputation and Service

While more board portals continue to emerge, few are fully integrated governance management solutions. Even fewer provide around-the-clock, concierge-level service that enables board members, executives and governance professionals to get back up and running quickly — especially in a critical moment requiring a rapid response. Good governance is a competitive advantage and any governance technology you adopt should facilitate that at all times, for all end users.

4. Reputation and Service Q&A

Questions to Ask	Answers to Expect
How many years has your company been in the governance technology space?	Look for at least 10 years of tenure in the governance space. Providers with this tenure typically understand and can address the pain points of both directors and governance professionals. In addition to being an industry leader, the provider should have extensive experience innovating software solutions that address and satisfy board and governance needs.
What awards and recognition have you won for customer service, application usability or innovation?	Awards serve as an important independent benchmark for performance. Seek out a provider that has been recognised for delivering the same best-in-class service they would provide their own board.
Who are some marquee clients in our industry?	Look for a breadth and depth of experience within your specific industry. An experienced provider will offer customised implementation, specialised support and insights on ways to maximise efficiencies across board roles.
Do you provide around-the-clock service and what is the typical wait time for support calls?	24/7/365 support is essential. Due to the nature of boards, urgent questions often arise at off-hours. Provider support should be immediate, without the need for return calls or lengthy hold times. Those servicing client requests should be in-house platform experts who are trained to resolve issues efficiently and effectively. Selecting a provider committed to quickly resolving clients' issues also helps mitigate security risks.

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4. Reputation and Service Q&A (Continued)

Questions to Ask	Answers to Expect
To what professional bodies and organisations does your company belong?	Any provider should be actively engaged in the corporate governance space and involved in professional organisations like the Society for Corporate Governance, the National Association of Corporate Directors (NACD), the National Investor Relations Institute (NIRI) and other member organisations in the space. Seek out a provider that can enhance the board's experience internally through its partnerships and thought leadership.

Making the Case for Governance Technology

Once you've decided on a governance technology solution that goes above and beyond to meet the needs of your organisation, it's time to get buy-in from the board and other key stakeholders. Making the case for governance technology requires presenting the core benefits in a quick and digestible format for busy board directors.

Governance technology can help boards and leaders to:

- **Enhance their visibility:** Aggregate all essential information and data into one streamlined solution, ensuring a holistic, integrated view of audit, risk, information security, ethics and compliance across the organisation.

- **Increase efficiency:** Move all agendas, documents, annotations and discussions into one centralised location for a cleaner and more productive board meeting workflow.

- **Improve security:** Be intentional about data protection. Safeguard your most sensitive information.

- **Mitigate risk:** Apply a unified risk methodology based in best practices to deliver executive visibility and alignment across your organisation.

- **Create a culture of compliance:** Ensure compliance across the organisation and empower employees to make more ethical choices.

- **Streamline communications:** Collaborate, share and exchange ideas in a secure environment for agile, strategic decision-making.

- **Save time and money:** Eliminate tedious, manual processes. Dedicate more time to strategy, development and ensuring high performance.

- **Practice better governance:** Ensure the adoption of governance best practices even in a shifting, dynamic landscape.

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Why Choose Governance Technology from Diligent

Introducing Diligent's Modern Governance Platform

Personalised Dashboard Experience

ESG • Board Governance • Operational Governance • Mission Governance • Networks • Advanced Governance Analytics • Compliance • Risk Management

Communication & Collaboration

Platform & 3rd party integrations

Scalable • Extensible • Flexible

If your company is looking to procure board management software, Diligent has a suite of modern governance solutions that will give you a competitive advantage. Our solutions offer industry-leading security and collaboration features to more than 1 million users and 700,000 board members and leaders globally. Here is what some of them have shared:

Functionality & Adoptability

"Timeliness is such an important characteristic for the modern board. With Diligent, I can have the materials on the hour, load it up within five minutes and the board or committee can start a meeting one minute later. Gone are the days of building and updating paper board packs."

Michael Ling
Deputy Company Secretary
CLP Holdings

Why Choose Governance Technology from Diligent (Continued)

🏛 Governance

"By focusing on the quality of the information being provided to the board, it ensures they are not getting tangled in the weeds and becoming too operational. There is a greater focus on strategic oversight. Modern governance platforms really make my life as a board administrator much easier."

Dauniika Puklowski
Director, Board Administration Services Ltd

🔒 Security

"When you're sending materials by email, it's never a good thing because you always run the risk of someone having access to the email or sending to the wrong email address. With Diligent, it's a secure connection and only the people you want to see the materials can see them."

Suzanne VanSligtenhorst
Corporate Law Clerk
New Gold

💬 Reputation & Service

"Sometimes vendor telephone support services can be average at best, but it is clear that Diligent has got this absolutely right. They are so skilled at helping you get to the finish line when you are trying to get something done."

Andrew Aspital,
Head of Operations
Big Society Capital

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Ready to see Diligent in action? Request a demo.

About Diligent

Diligent is the leading governance, risk and compliance (GRC) SaaS company, serving 1 million users from over 25,000 customers around the world. Our innovative technology gives leaders a connected view of governance, risk, compliance and ESG across their organisations, sparking the insights they need to make better decisions and lead with purpose.

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